

<i>SERFF Tracking Number:</i>	<i>FFDC-125788135</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Fireman's Fund Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>NARPL0108-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>Management Practices Liability</i>		
<i>Project Name/Number:</i>	<i>Management Practices Liability/NWPL0108</i>		

## Filing at a Glance

Companies: Fireman's Fund Insurance Company, National Surety Corporation

Product Name: Management Practices Liability SERFF Tr Num: FFDC-125788135 State: Arkansas

TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: EFT \$25

Sub-TOI: 17.1022 Other Co Tr Num: NARPL0108-R State Status: Fees verified and received

Filing Type: Rule	Co Status: Waiting for Acknowledgment	Reviewer(s): Edith Roberts, Brittany Yielding
	Author: Michelle Davanzo	Disposition Date: 11/05/2008
	Date Submitted: 10/23/2008	Disposition Status: Exempt from Review

Effective Date Requested (New): 02/01/2009

Effective Date Requested (Renewal): 02/01/2009

State Filing Description:

Effective Date (New):

Effective Date (Renewal):

## General Information

Project Name: Management Practices Liability

Project Number: NWPL0108

Reference Organization:

Reference Title:

Filing Status Changed: 11/05/2008

State Status Changed: 11/05/2008

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Enclosed for your review is our Employment Practices supplemental rule page. Under separate cover we have submitted our new Management Liability Practices Liability, coverage forms and endorsements. The filing consists of the following three coverage forms – designed to meet the needs of privately held companies – that may be purchased individually or in any combination:

- Directors, Officer, and Privately Held Company Liability Insurance – covers liability of directors, officer and the insured

<i>SERFF Tracking Number:</i>	<i>FFDC-125788135</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Fireman's Fund Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>NARPL0108-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>Management Practices Liability</i>		
<i>Project Name/Number:</i>	<i>Management Practices Liability/NWPL0108</i>		

organization for claims arising out of their actual or alleged wrongful acts;

- Employment Practices Liability Insurance – covers the liability of directors, officers, employees and the insured organization arising out of the employment discrimination, sexual harassment or wrongful termination; and
- Fiduciary Liability Insurance – covers losses arising from the unintentional breach of the responsibilities imposed on fiduciaries by ERISA or the law of the United States or its states or jurisdictions in the handling of covered pension and welfare plans. It also covers losses stemming from clerical errors in the handling of all the insured's employee benefit plans.

Only coverages purchased appear on the Declarations.

We will continue to use our previously approved Management Practices Liability rates and rules, except for a new Employment Practices, supplemental rule page that addresses pricing for premium bearing endorsements. See the Actuarial Memorandum for further detail.

This is a rule filing only.

Enclosed in support of this filing are:

- Actuarial Memorandum and supporting exhibit;
- New rule page, EPLIb - Supplemental, edition 05-08; and
- State filing forms/checklists if any.

Your approval of this filing, which has a proposed effective date of February 1, 2009, is appreciated.

## Company and Contact

### Filing Contact Information

Michelle Davanzo, Regulatory Services Senior Analyst  
mdavanzo@ffic.com

777 San Marin Drive (415) 899-2660 [Phone]  
Novato, CA 94998 (866) 290-0671[FAX]

### Filing Company Information

Fireman's Fund Insurance Company	CoCode: 21873	State of Domicile: California
777 San Marin Drive	Group Code: 761	Company Type:

SERFF Tracking Number: FFDC-125788135 State: Arkansas  
First Filing Company: Fireman's Fund Insurance Company, ... State Tracking Number: EFT \$25  
Company Tracking Number: NARPL0108-R  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1022 Other  
Product Name: Management Practices Liability  
Project Name/Number: Management Practices Liability/NWPL0108

Novato, CA 94998 Group Name: State ID Number:  
(415) 899-3290 ext. [Phone] FEIN Number: 94-1610280  
-----  
National Surety Corporation CoCode: 21881 State of Domicile: Illinois  
777 San Marin Drive Group Code: 761 Company Type:  
Novato, CA 94998 Group Name: State ID Number:  
(415) 899-2817 ext. [Phone] FEIN Number: 36-2704643  
-----

<i>SERFF Tracking Number:</i>	<i>FFDC-125788135</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Fireman's Fund Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>NARPL0108-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>Management Practices Liability</i>		
<i>Project Name/Number:</i>	<i>Management Practices Liability/NWPL0108</i>		

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$25.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Fireman's Fund Insurance Company	\$25.00	10/23/2008	23433546
National Surety Corporation	\$0.00	10/23/2008	

<i>SERFF Tracking Number:</i>	<i>FFDC-125788135</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Fireman's Fund Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>NARPL0108-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>Management Practices Liability</i>		
<i>Project Name/Number:</i>	<i>Management Practices Liability/NWPL0108</i>		

## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Exempt from Review	Edith Roberts	11/05/2008	11/05/2008

<i>SERFF Tracking Number:</i>	<i>FFDC-125788135</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Fireman's Fund Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>NARPL0108-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>Management Practices Liability</i>		
<i>Project Name/Number:</i>	<i>Management Practices Liability/NWPL0108</i>		

## Disposition

Disposition Date: 11/05/2008  
Effective Date (New):  
Effective Date (Renewal):  
Status: Exempt from Review  
Comment: Exempt from filing pursuant to AR Code Anno. 23-67-206.

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

<b>Overall Percentage Rate Indicated For This Filing</b>	0.000%
<b>Overall Percentage Rate Impact For This Filing</b>	0.000%
<b>Effect of Rate Filing-Written Premium Change For This Program</b>	\$0
<b>Effect of Rate Filing - Number of Policyholders Affected</b>	0

SERFF Tracking Number:	FFDC-125788135	State:	Arkansas
First Filing Company:	Fireman's Fund Insurance Company, ...	State Tracking Number:	EFT \$25
Company Tracking Number:	NARPL0108-R		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1022 Other
Product Name:	Management Practices Liability		
Project Name/Number:	Management Practices Liability/NWPL0108		

Item Type	Item Name	Item Status	Public Access
Supporting Document	NAIC Transmittal	Accepted for Informational Purposes	Yes
Supporting Document	Rate/Rule filing schedule	Accepted for Informational Purposes	Yes
Supporting Document	Cover Letter	Accepted for Informational Purposes	Yes
Supporting Document	Actuarial Memorandum	Accepted for Informational Purposes	Yes
Supporting Document	Rate Comparison	Accepted for Informational Purposes	Yes
Rate	Employment Practices Liability Manual Rule page	Accepted for Informational Purposes	Yes

<i>SERFF Tracking Number:</i>	<i>FFDC-125788135</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Fireman's Fund Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>NARPL0108-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>Management Practices Liability</i>		
<i>Project Name/Number:</i>	<i>Management Practices Liability/NWPL0108</i>		

## **Rate Information**

Rate data does NOT apply to filing.



<i>SERFF Tracking Number:</i>	<i>FFDC-125788135</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Fireman's Fund Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>NARPL0108-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>Management Practices Liability</i>		
<i>Project Name/Number:</i>	<i>Management Practices Liability/NWPL0108</i>		

## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Employment Practices Liability Manual Rule page	EPLIb-Supplemental, ed. 05 08	New	EPLIb-Supplemental ed 05 08.pdf

**FIREMAN'S FUND INSURANCE COMPANIES®**  
**Employment Practices Liability**

**PREMIUM BEARING ENDORSEMENTS**

For Employment Practices Liability [EPLI], the following additional premium charges apply to the endorsements noted.

**Third Party Liability**

Apply the appropriate percentage to the base unmodified EPLI premium for Third Party Discrimination liability coverage.

Third Party Exposure	Percentage of unmodified EPLI premium
Class I Minimal or no customer contact. Minimal customer contact includes little face-to-face contact of mainly the corporate or business type customer, or incidental general public contact	10%
Class II Average to above average customer contact, either corporate or general public.	15%
Class III Extensive face-to-face customer contact with the general public. A very high potential for alleged civil rights violation	20%

**Independent Contractor Coverage**, charge 15% of the final EPLI premium.

**Wage and Hour Defense Sublimit:**

- \$25,000 limit, charge 2% of the final EPLI premium
- \$50,000 limit, charge 3.25% of the final EPLI premium
- \$100,000 limit, charge 5% of the final EPLI premium.

**INS/Governmental Investigation Defense:**

- \$25,000 limit, charge 2% of the final EPLI premium
- \$50,000 limit, charge 3.25% of the final EPLI premium
- \$100,000 limit, charge 5% of the final EPLI premium.

SERFF Tracking Number: FFDC-125788135 State: Arkansas  
First Filing Company: Fireman's Fund Insurance Company, ... State Tracking Number: EFT \$25  
Company Tracking Number: NARPL0108-R  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1022 Other  
Product Name: Management Practices Liability  
Project Name/Number: Management Practices Liability/NWPL0108

## Supporting Document Schedules

**Satisfied -Name:** NAIC Transmittal  
**Review Status:** Accepted for Informational 11/05/2008  
Purposes

**Comments:**

**Attachment:**

NAIC Transmittal - Rule.pdf

**Satisfied -Name:** Rate/Rule filing schedule  
**Review Status:** Accepted for Informational 11/05/2008  
Purposes

**Comments:**

**Attachment:**

Rate-Rule Filing Schedule.pdf

**Satisfied -Name:** Cover Letter  
**Review Status:** Accepted for Informational 11/05/2008  
Purposes

**Comments:**

**Attachment:**

Cover Letter NWPL0108.pdf

**Satisfied -Name:** Actuarial Memorandum  
**Review Status:** Accepted for Informational 11/05/2008  
Purposes

**Comments:**

**Attachment:**

Actuarial Memorandum 1.pdf

**Satisfied -Name:** Rate Comparison  
**Review Status:** Accepted for Informational 11/05/2008  
Purposes

**Comments:**

**Attachment:**

<i>SERFF Tracking Number:</i>	<i>FFDC-125788135</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Fireman's Fund Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>NARPL0108-R</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1022 Other</i>
<i>Product Name:</i>	<i>Management Practices Liability</i>		
<i>Project Name/Number:</i>	<i>Management Practices Liability/NWPL0108</i>		

EPL Endorsements Rate Comparison 1.pdf



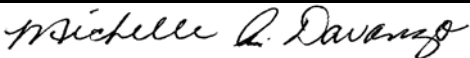
## Property &amp; Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>	Fireman's Fund Insurance Companies				<b>Group NAIC #</b>	0761
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>		
Fireman's Fund Insurance Company	CA	21873	94-1610280			
National Surety Corporation	IL	21881	36-2704643			

<b>5. Company Tracking Number</b>	NARPL0108-R
-----------------------------------	-------------

## Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
Michelle A. Davanzo	Regulatory Analyst	(415) 899-2660	866-290-0671	Michelle.davanzo@ffic.com
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>		Michelle A. Davanzo		

## Filing information (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	17.1 Other Liability – Claims Made Only			
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	17.1022 Other			
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>				
<b>12. Company Program Title (Marketing title)</b>				
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
<b>14. Effective Date(s) Requested</b>	New:	02-01-09	Renewal:	02-01-09
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>16. Reference Organization (if applicable)</b>				
<b>17. Reference Organization # &amp; Title</b>				
<b>18. Company's Date of Filing</b>	10-23-08			
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

## Property & Casualty Transmittal Document—

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>NARPL0108-R</b>
<b>21.</b>	<p><b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]</p> <p>Enclosed for your review is our Employment Practices supplemental rule page. Under separate cover we have submitted our new Management Liability Practices Liability, coverage forms and endorsements. The filing consists of the following three coverage forms – designed to meet the needs of privately held companies – that may be purchased individually or in any combination:</p> <ul style="list-style-type: none"> <li>• Directors, Officer, and Privately Held Company Liability Insurance – covers liability of directors, officer and the insured organization for claims arising out of their actual or alleged wrongful acts;</li> <li>• Employment Practices Liability Insurance – covers the liability of directors, officers, employees and the insured organization arising out of the employment discrimination, sexual harassment or wrongful termination; and</li> <li>• Fiduciary Liability Insurance – covers losses arising from the unintentional breach of the responsibilities imposed on fiduciaries by ERISA or the law of the United States or its states or jurisdictions in the handling of covered pension and welfare plans. It also covers losses stemming from clerical errors in the handling of all the insured's employee benefit plans.</li> </ul> <p>Only coverages purchased appear on the Declarations.</p> <p>We will continue to use our previously approved Management Practices Liability rates and rules, except for a new Employment Practices, supplemental rule page that addresses pricing for premium bearing endorsements. See the Actuarial Memorandum for further detail.</p> <p>This is a rule filing only.</p> <p>Enclosed in support of this filing are:</p> <ul style="list-style-type: none"> <li>• Actuarial Memorandum and supporting exhibit;</li> <li>• New rule page, EPLIb - Supplemental, edition 05-08; and</li> <li>• State filing forms/checklists if any.</li> </ul> <p>Your approval of this filing, which has a proposed effective date of February 1, 2009, is appreciated.</p>	

<b>2.</b>	<p><b>Filing Fees</b> (Filer must provide check # and fee amount if applicable)          [If a state requires you to show how you calculated your filing fees, place that calculation below]</p>  <p><b>Check #:</b>  <b>Amount:</b></p>  <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>
-----------	---

\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

PC TD-1 pg 2 of 2

**RATE/RULE FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

**(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	NARPL0108-R
<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	

☐ Rate Increase

☐ Rate Decrease

☒ Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>						
<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>						
<b>Company Name</b>	<b>Overall % Indicated Change (when applicable)</b>	<b>Overall % Rate Impact</b>	<b>Written premium change for this program</b>	<b># of policyholders affected for this program</b>	<b>Written premium for this program</b>	<b>Maximum % Change (where required)</b>	<b>Minimum % Change (where required)</b>
Fireman's Fund Insurance Company	0%	0%	0%	0	0	0%	0%
National Surety Corporation	0%	0%	0%	0	0	0%	0%
<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>						
<b>Company Name</b>	<b>Overall % Indicated Change (when applicable)</b>	<b>Overall % Rate Impact</b>	<b>Written premium change for this program</b>	<b># of policyholders affected for this program</b>	<b>Written premium for this program</b>	<b>Maximum % Change</b>	<b>Minimum % Change</b>

**5. Overall Rate Information (Complete for Multiple Company Filings only)**

		<b>COMPANY USE</b>	<b>STATE USE</b>
<b>5a.</b>	<b>Overall percentage rate indication (when applicable)</b>	0%	
<b>5b.</b>	<b>Overall percentage rate impact for this filing</b>	0%	
<b>5c.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>	0	
<b>5d.</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>	0 – No Rate Impact	
<b>6.</b>	<b>Overall percentage of last rate revision</b>	0%	
<b>7.</b>	<b>Effective Date of last rate revision</b>	None	
<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	N/A	

<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or Withdrawn?</b>	<b>Previous state filing number, if required by state</b>
01	EPLIb–Supplemental, edition date 05-08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement	



		<input type="checkbox"/> Withdrawn	
--	--	------------------------------------	--

PC RRES-1

**These pages are informational only and do not need to be submitted with your filings!**

**Notes for Rate/Rule Filing Transmittal**

**DESCRIPTION OF ITEMS IN THE RATE FILING SCHEDULE**

**RATE/RULE FILING SCHEDULE**

**1. This filing transmittal is part of Company Tracking #:** This ties all of the pages of the transmittal to the same filing. It is helpful for the state.

**2. This filing corresponds to form filing number:** Many states require that rates and forms be submitted separately due to different review procedures that are required by law. For those states, this will tie the form filing with the associated rate filing, if there is one. **Use check boxes to indicate if this is a rate increase, a rate decrease or rate neutral.**

**3. Filing Method (Prior Approval, File & Use, Flex Band, etc):** This is the review method for which the filing is being submitted. See State Specific Requirements.

**4. Rate Change by Company:** Complete all fields for each company included in the filing.

- **Overall % Indicated Change (when applicable)** - This field is only to be completed when an actuarial indication is included in the filing submission.
- **Overall % Rate Impact** - This is the statewide average percentage change to the accepted rates for the coverages included for each company.
- **Written premium change for this program** - This is the statewide change in written premium based on the proposed overall percentage rate impact for each company.
- **# of policyholders affected for this program** - This is the number of policyholders affected by the overall percentage rate impact for each company.
- **Written premium for this program** - This is the statewide written premium for each company.
- **Maximum % Change & Minimum % Change** – This information should be completed if required by the state to which the filing is being submitted.
  - If all the policyholders get increases, then the maximum change is the largest increase and the minimum change is the smallest increase.
  - If all the policyholders get decreases, then the maximum change is the smallest decrease and the minimum change is the largest decrease.
  - If some of the policyholders get increases and others get decreases, then the maximum change is the largest increase and the minimum change is the largest decrease.

**5a. Overall percentage rate indication (when applicable):** These fields are only to be completed when an actuarial indication is included in the filing submission.

**5b. Overall percentage rate impact for this filing:** This is the statewide average percentage change to the accepted rates for the coverages included in the filing. This field only needs to be completed for group filings.

**5c. Effect of Rate Filing—Written Premium Change for this program:** This is the statewide change in written premium based on the proposed overall percentage rate impact. This field only needs to be completed for group filings.

**5d. Effect of Rate Filing—Number of policyholders affected:** This is the number of policyholders affected by the overall percentage rate impact. This field only needs to be completed for group filings.

**6. Overall percentage of last rate revision:** This is the statewide average of the last percentage change implemented in the state.

**7. Effective Date of last rate revision:** This is the implementation date of the last overall percentage rate impact.

**8. Filing Method of Last Filing (Prior Approval, File & Use, Flex Band, etc):** This is the review method for which the last filing was submitted. See State Specific Requirements.

**9. Rule # or Page # Submitted for Review:** This is the list of changes to the rate/rule manual.

### **To be complete a filing must include the following:**

- A completed Property & Casualty Transmittal Document (PC TD-1).
- A completed Form Filing Schedule Document (PC FFS-1), when applicable. **Do not refer to the body of the filing for the forms listing, unless allowed by state.**
- A completed Rate/Rule Filing Transmittal document (PC RRFS-1), when applicable. **Do not refer to the body of the filing for the forms listing, unless allowed by state.**
- The appropriate state specific requirements.
- The appropriate filing fees, when required.
- A postage-paid, self-addressed envelope large enough to accommodate the return of acknowledgement, as required by state.
- You should refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)



October 23, 2008

Honorable Julie Benafield Bowman  
Commissioner of Insurance  
Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

RE: MANAGEMENT PRACTICES LIABILITY  
Fireman's Fund Insurance Company  
National Surety Corporation  
Company Filing #NARPL0108-R

**\*\*RULE PORTION ONLY\*\***

0761-21873  
0761-21881

Dear Sir or Madam:

Enclosed for your review is our Employment Practices supplemental rule page. Under separate cover we have submitted our new Management Liability Practices Liability, coverage forms and endorsements. The filing consists of the following three coverage forms – designed to meet the needs of privately held companies – that may be purchased individually or in any combination:

- Directors, Officer, and Privately Held Company Liability Insurance – covers liability of directors, officer and the insured organization for claims arising out of their actual or alleged wrongful acts;
- Employment Practices Liability Insurance – covers the liability of directors, officers, employees and the insured organization arising out of the employment discrimination, sexual harassment or wrongful termination; and
- Fiduciary Liability Insurance – covers losses arising from the unintentional breach of the responsibilities imposed on fiduciaries by ERISA or the law of the United States or its states or jurisdictions in the handling of covered pension and welfare plans. It also covers losses stemming from clerical errors in the handling of all the insured's employee benefit plans.

Only coverages purchased appear on the Declarations.

We will continue to use our previously approved Management Practices Liability rates and rules, except for a new Employment Practices, supplemental rule page that addresses pricing for premium bearing endorsements. See the Actuarial Memorandum for further detail.

This is a rule filing only.

Enclosed in support of this filing are:

- Actuarial Memorandum and supporting exhibit;
- New rule page, EPLIb - Supplemental, edition 05-08; and
- State filing forms/checklists if any.

Your approval of this filing, which has a proposed effective date of February 1, 2009, is appreciated.

**Fireman's Fund**  
**Insurance Companies**  
**A member of the**  
**Alliance Group**

777 San Marin Drive  
Novato, CA 94998  
415.899.2000

Sincerely,



Michelle A. Davanzo

Regulatory Analyst

415-899-2660 (p)

800-227-1700 ext 22 2660 (toll-free phone)

866-290-0671 (fax)

[michelle.davanzo@ffic.com](mailto:michelle.davanzo@ffic.com)



**Fireman's Fund Insurance Companies®**  
**Employment Practices Liability Insurance Endorsements**  
**Actuarial Memorandum**

This nationwide filing is for Fireman's Fund Insurance Companies® (FFIC) Employment Practices Liability Insurance Endorsements. The filing is offered as endorsed coverage to the insureds that may purchase this coverage as an add-on to the Employment Practices Liability Insurance policy.

**RATE DETERMINATION:**

**Third Party Liability Premium:**

The Third Party Liability coverage is a new coverage offered by FFIC. Since this is a new coverage, FFIC does not have any historical premium and loss experience from which to determine rates. Therefore, FFIC has relied upon competitor's rating plans to determine the proposed rating plan.

**Exhibit I** contains a comparison of proposed rating variables to FFIC competitors including Hartford Insurance Group and State National Insurance Company.

**Independent Contractor Coverage:**

The Independent Contractor coverage is a new coverage offered by FFIC. Since this is a new coverage, FFIC does not have any historical premium and loss experience from which to determine rates. Therefore, FFIC has relied upon competitor's rating plans to determine the proposed rating plan.

**Exhibit I** contains a comparison of proposed rating variables to FFIC competitor Philadelphia Indemnity Company.

**Wage & Hour Defense Sublimit Coverage:**

The Wage & Hour Defense Sublimit coverage is a new coverage offered by FFIC. Since this is a new coverage, FFIC does not have any historical premium and loss experience from which to determine rates. Therefore, FFIC has relied upon competitor's rating plans to determine the proposed rating plan.

**Exhibit I** contains a comparison of proposed rating variables to FFIC competitor Philadelphia Indemnity Company.

**INS/Governmental Investigation Defense Coverage:**

The INS/Governmental Investigation Defense coverage is a new coverage offered by FFIC. Since this is a new coverage, FFIC does not have any historical premium and loss experience from which to determine rates. Therefore, FFIC has relied upon competitor's rating plans to determine the proposed rating plan.

**Exhibit I** contains a comparison of proposed rating variables to FFIC competitor Hartford Insurance Group.

**Exhibit II** contains the expense components assumed in the Hartford Insurance Group, State National Insurance Company and Philadelphia Indemnity Company.

**Fireman's Fund Insurance Companies (FFIC)**

**Premium Bearing Endorsements for Employment Practices Liability Insurance  
Rate Comparison: FFIC vs. Competitors**

Third Party Liability:	Third Party Liability:	Third Party Liability:	
<b>Harford Insurance Group/Twin City Fire Insurance Company</b>	<b>State National Insurance Company</b>	<b>FFIC</b>	
Filing: PA - Private Choice Encore	Filing: Directors & Officers/Not-for-Profit		% of
Date: April 2006	Date: October 2006		Unmodified
			EPLI Premium
Third Party Liability Premium =	Third Party Liability Premium =	Third Party Liability Premium =	
(10% - 25%)	Low: (1.00 - 1.10) - Does not interact with public	Class I = Minimal or no customer contact. Minimal	10%
x (Amount of Third Party Coverage / EPL Coverage Part Limit)	None to very little face-to-face customer	customer contract includes little face-to-face	
x Industry Modification Factor	contact	contact of mainly the corporate or business	
x EPL Coverage Part Premium	Mod to High: (1.10 - 1.25) Interacts with public - potential	type customer, or incidental general	
	for alleged civil rights violations. Extensive	public contact.	
	contact with customers	Class II = Average to above average customer	15%
	Premium = (Rating Factor - 1) x EPLI Premium	contact, either corporate or general public	
		Class III = Extensive face-to-face customer contact	20%
		with the general public. A very high	
		potential for alleged civil rights violation	
<hr/>			
Independent Contractor Coverage:		Independent Contractor Coverage:	
<b>Philadelphia Indemnity Company</b>		<b>FFIC</b>	
Filing: Directors & Officers/Private Company Protection Plus			
Date: October 2006			
Additional Individual Insured = 15% of EPLI Premium		Independent Contractor Coverage =	15% of EPLI Premium
<hr/>			
Wage & Hour Defense Sublimit:		Wage & Hour Defense Sublimit:	
<b>Philadelphia Indemnity Company</b>		<b>FFIC</b>	
Filing: Directors & Officers/Private Company Protection Plus		Wage & Hour Defense Sublimit Premium =	
Date: October 2006			
Based upon Scheduled Debits & Credits for:		\$25,000 Limit = 2.0% of EPLI Premium	
Employee Turnover		\$50,000 Limit = 3.25% of EPLI Premium	
Employee Salaries		\$100,000 Limit = 5.0% of EPLI Premium	
Layoffs/Downsizing			
Collective Bargaining Agreement			
Union Employees			
Debit = up to 25% of EPLI Premium			
<hr/>			
INS/Governmental Investigation Defense:		INS/Governmental Investigation Defense:	
<b>Harford Insurance Group/Twin City Fire Insurance Company</b>		<b>FFIC</b>	
Filing: PA - Private Choice Encore		INS/Governmental Investigation Defense Premium =	
Date: April 2006			
EPLI Premium for Foreign Employees =		\$25,000 Limit = 2.0% of EPLI Premium	
33% x (# of Foreign Employees / Total Employees)		\$50,000 Limit = 3.25% of EPLI Premium	
x EPLI Premium		\$100,000 Limit = 5.0% of EPLI Premium	